



IPERS INVESTMENT BOARD MEETING

Meeting. The Iowa Public Employees Retirement System (IPERS) Investment Board met on April 1, 2016, to discuss the current status of the IPERS Investment Fund as well as hear updates from Wilshire and Associates regarding the calendar year (CY) 2015 Investment Performance Review and a Public Equities Portfolio Review. The total IPERS Trust Fund market value as of December 31, 2015, was \$27.6 billion.

CEM Benchmarking Report. The CEM Benchmarking Report compared Iowa to 11 other like-sized pension systems in the nation. Iowa continues to have the lowest pension administration costs in the peer group. Iowa's total pension administration costs were \$45 per active member and annuitant compared to the peer group average of \$95 per active member and annuitant. Some reasons cited by CEM for Iowa's lower administrative costs include:

- Iowa's transactions per front-office FTE position were 114.0% above the peer group average and were the highest in the peer group. Iowa's higher transaction volumes per FTE position decreased the total cost per member and annuitant by \$25 relative to the peer group average.
- Iowa's members pay less for back-office activities compared to the peer group. The adjusted cost per active member and annuitant was \$25 for back-office activities compared to the peer group average of \$50. The decreased cost to members is \$25 relative to the peer group average.
- Iowa has higher overall costs per FTE position for salaries and benefits; information technology desktop, networks, and telecommunication; building and utilities; and human resources. Iowa's costs increased the total cost by \$7.18 per member relative to the peer group; however, this occurs because Iowa has fewer FTE positions per capita. Iowa uses 2.4 FTE positions per active member and annuitant compared to the peer group average of 7.3 FTE positions per active member and annuitant. Although the Iowa cost per FTE position is higher than the peer group average, the number of FTE positions is lower than the peer group average.
- Iowa's total pension administration costs per active member and annuitant decreased by 2.5% per annum between CY 2012 and CY 2015. During this same time period, the average cost of the peer group with four consecutive years of data increased by 1.1% per annum.
- Iowa's total service score was 80. The peer group median was 81. Iowa's service score has remained stable for the period of CY 2013 through CY 2015.

Next Meeting. The next meeting of the IPERS Investment Board is June 23, 2016. The Private/Equity/Debt Portfolio, Real Estate Portfolio, and Other Real Assets Portfolio are scheduled to be reviewed.

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